

# MEMORANDUM

## COMMUNITY AND ECONOMIC DEVELOPMENT DEPARTMENT

TO: Thomas Thomas, City Manager

SUBJECT: Rock Island Economic Growth Corporation – 10<sup>th</sup> Street Infill

DATE: 3/13/13

Rock Island Economic Growth Corporation (GROWTH) in its work to continue building new homes in the New Old Chicago Neighborhood has made the following request from the City of Rock Island:

1. Donation of the following properties 606, 608, 614 & 618 10<sup>th</sup> Street and lot #2 of the New Old Chicago Addition.
2. Donation of \$20,000 to demolish the existing structure on the property.
3. New Old Chicago Redevelopment Subdivision: \$90,000 to support efforts to build 3 new single-family homes along 10<sup>th</sup> Street. Funds are from the North 11<sup>th</sup> Street TIF.
4. Donation of \$25,000 to assist with renovations of the single family home located at 605 10<sup>th</sup> Street. Planned renovation consist of new siding and wrap around the exiting porch.

In addition to the City of Rock Island assistance, GROWTH as a non-profit, will generate an additional 50% of the donated funds through the State of Illinois Affordable Housing State Donation Tax Credit program to support the project. The budget alone for the 3 new single-family homes is nearly Six Hundred Thousand (\$600,000).

This project is a continuation of the 5 homes GROWTH built on adjacent property last year. MLK Park is also set to start construction in the spring of 2013. The City will be improving the alley behind the new constructed houses using TIF proceeds which will complete the redevelopment of the block. The project is an outstanding example of how an area can be transformed.

### **Recommendation:**

Council authorize the City Manager to execute development agreements with the Rock Island Economic Growth Corporation for the items outlined above.

Submitted by: Jeffery A. Eder, Community and Economic Development Director

Approved: Thomas Thomas, City Manager

## AGREEMENT

THIS AGREEMENT is entered into this \_\_\_\_\_ day of March, 2013 by and between ROCK ISLAND ECONOMIC GRWOTH CORPORATION ("Growth") and the CITY OF ROCK ISLAND, an Illinois Municipal Corporation ("City").

WHEREAS, Growth intends create new homes as part of the implementation of the New Old Chicago Neighborhood Plan, and;

WHEREAS, it is the intent of the City to support development within the New Old Chicago Neighborhood;

NOW THEREFORE, the parties, in exchange for the promises herein contained the receipt and sufficiency of which are hereby acknowledged agree as follows:

1. Growth is currently implementing new units of single family housing within the New Old Chicago Neighborhood.
2. Growth agrees to develop three (3) new units of single-family housing at 606, 608, 614 & 618 10<sup>th</sup> Street.
3. The City agrees to donate lots at 606, 608, 614 & 618 10<sup>th</sup> Street plus Lot #2 of the New Old Chicago Addition to Growth (See attachment 1 for legal description).
5. The City agrees to donate Twenty Thousand Dollars (\$20,000) of demolition funds to be used to demolish the existing structure on the property.
4. City agrees to donate to Growth the sum of up Ninety Thousand Dollars (\$90,000) to be used to support the new construction with funds derived from Tax Increment Finance (TIF) revenues. Growth hereby agrees to expend said TIF revenues only on those elements of the project that are eligible activities under 65 ILCS 5/11-74.4) and to comply with all applicable requirements for the use TIF funds under 65 ILCS 5/1-74.4. Prior to the release of said funds, a representative from the city and the Growth shall meet and confer on the use of the funds.
5. City agrees to donate to Growth \$25,000 to assist with the renovations to the single family home located at 605 10<sup>th</sup> Street. Renovations include but not limited to new siding and wrap around porch.
6. Growth hereby acknowledges that use of City funds requires compliance with the Illinois Prevailing Wage Act (820 ILCS 1130) as amended.

7. This Agreement shall be governed and construed in accordance with the laws of the State of Illinois with jurisdiction and venue Rock Island County.
8. In the event of a default under this Agreement by either party hereto which default is not cured within thirty (30) days of the date of receipt of notice to the defaulting party specifying that said party has failed to perform a particular obligation, the other party shall have an action for damages or, in the event damages would not fairly compensate the non-defaulting party of this Agreement, the non-defaulting party shall have such other equitable rights and remedies as are available at law or in equity.
9. Delays by the Growth or City in performing its obligations hereunder due to acts of God or strikes, fires, floods, explosions, wars, differences with workers, delays in transportation or accidents during construction, military arrest or restraints, acts, demands or requirements of the United States or any state or territory thereof, or any governmental subdivision thereof, or due to any other causes whatsoever, whether similar or dissimilar to those above enumerated which are beyond the Growth's or City's control and not resulting from Growth's or City's fault shall cause an automatic extension of the starting and/or completion dates for the period attributable to any such cause. The affected component of this Agreement shall be deemed suspended for so long as its extension is prevented or delayed by such cause.
10. Time is of the essence of this Agreement.
11. The rights and obligations of the Growth are fully assignable by means of written notice to the City, provided that no assignment shall be deemed to release the Growth of its obligations to the City under this Agreement unless the consent of the City to release of the Growth's obligations is obtained.
12. Either party to this Agreement may elect to waive any remedy it may enjoy hereunder, provided that no such waiver shall be deemed to exist unless the party waiving such right or remedy does so in writing. No such waiver shall obligate such party to waive any right or remedy thereafter, nor shall it be deemed to constitute a waiver of other rights and remedies provided said party pursuant to this Agreement.
13. If any term or provision of this Agreement is held to be invalid or unenforceable, to any extent, the remainder of this Agreement shall continue to be fully valid and enforceable.
14. Notices, demands, consents, approvals or other instruments required to be permitted by this Agreement shall be in writing and shall be executed by the

party or an officer, agent, attorney of the party, and shall be deemed to have been effective as to the date of actual delivery, if delivered personally, or as of the third day from and including the date on which it is mailed by registered or certified mail, return receipt requested, with postage prepaid addressed as follows:

To Developer:           Rock Island Economic Growth Corporation  
                                  100 19<sup>th</sup> Street  
                                  Suite 109  
                                  Rock Island, IL 61201

To City:                    City Clerk  
                                  City of Rock Island  
                                  1528 3rd Avenue  
                                  Rock Island, IL 61201

15. This Agreement shall be binding upon and inure to the benefit of the parties hereto, and their devisees, successors and assigns.

16. The preambles contained herein are incorporated in this Agreement by this express reference and made a part hereof.

17. This Agreement embodies the entire agreement between the parties and supersedes any written or oral agreement and may be amended or supplemented only by an instrument in writing executed by the parties hereto.

CITY

Rock Island Economic Growth Corporation

\_\_\_\_\_  
Thomas Thomas, City Manager

\_\_\_\_\_  
Brian Hollenback

ATTEST:

\_\_\_\_\_  
Aleshia Patchin, City Clerk

ATTACHMENT 1

**Parcel I: RI-2207**

The South ¼ of the North ½ of Lots 1 and 2, and also the South 2 feet of the North 60 feet of the East 65 feet of Lot 1, all in Block 63 in Chicago or Lower Addition to the City of Rock Island, situated in the County of Rock Island, in the State of Illinois.

**Parcel II: RI-2208**

The North One-Half (N1/2) of the South One-Half (S1/2) of Lots Number One (1) and Two (2) in Block Number Sixty-Three (63) in that part of the City of Rock Island known as and called Chicago or Lower Addition to said City; situated in the County of Rock Island, in the State of Illinois.

**Parcel III: RI-2209**

The South ½ of the South ½ of Lots 1 and 2, Block 63 of Chicago or Lower Addition, as recorded in Plat Book and Page "14" – 6,7; situated in the County of Rock Island, in the State of Illinois.

**Parcel IV: RI-2219**

The North 40 feet of Lot 8, Block 63 in Chicago or Lower Addition to the City of Rock Island as recorded in Plat Book and Page "14" – 6,7; situated in the County of Rock Island, in the State of Illinois.